

JOHAN KLEHS & COMPANY, INC.

STRATEGY • GOVERNMENT RELATIONS • ADVOCACY

HAND DELIVERED

August 10, 2011

The Honorable Jerome Horton, Chair
Board of Equalization
621 Capitol Mall, #975
Sacramento, CA 95814

Dear Board Chair Horton:

Our firm represents the City of Livermore. We have been working with the Board of Equalization (BOE) Members and staff to come to a favorable conclusion to insert more deadlines into the BOE Regulation 1807, *Petitions for Reallocation of Local Tax, Petitions for Distribution or Redistribution of Transactions and Use Tax* process. This issue is on the agenda for the BOE Business Taxes Committee meeting scheduled for Tuesday, August 23, 2011.

We have reviewed the draft of the "Staff proposed revisions to Regulation 1807 and 1828" dated August 2011. We believe this proposal is an excellent starting point to change Regulation 1807 and 1828. While this change does not encompass all of the deadlines we have proposed, we support all of these changes based on representations by BOE staff that the Regulation 1807 process will proceed much more expeditiously than it has in the past.

We are still concerned that one staff person may be bearing the entire workload of processing petitions at the Appeals Division level. We know that the BOE Members recognize the burden placed on only one individual handling all of the allocation cases at the Appeals Division. We hope the BOE will insure that such staff workload burdens do not create bottlenecks in the allocation process in the future.

The staff has done an excellent job in addressing our concerns about getting as much of the front end work on allocation cases at the Allocation Group level.

The City of Livermore reserves the right to return to the Business Taxes Committee should the revisions placed in Regulation 1807 and 1828 not resolve some of the delays caused in the past during the local tax allocation process.

Board Chair Horton

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Please feel free to contact me if I can be of any service to you in the future.

Sincerely,



JOHAN KLEHS

CC: Members of the Board of Equalization
State Controller John Chiang
Ms. Marcie Jo Mandel, State Controller's Office
Ms. Diane Olson
Ms. Kristine Cazadd
Ms. Lynn Whitaker
John Pomidor, City of Livermore
Troy Brown, City of Livermore